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W.E. Upjohn Unemployment Trustee Corporation: 75th anniversary

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W.E. Upjohn Unemployment Trustee Corporation

~ 75th Anniversary ~

This month the W.E. Upjohn Institute celebrates the 75th anniversary of its origins. The time was 1932 and the nation was plunged into the depths of the Great Depression. One out of every four workers was without a job, and in only two years wages had plummeted 40 percent. Many businesses had closed, and the images of destitute men standing helplessly in soup lines were etched in the minds of most Americans. Kalamazoo was no different. Area business owners were laying off large numbers of workers to try to save their companies. Yet, one local industrialist was trying to do more than simply sustain his business.

Dr. W.E. Upjohn was a local physician who, in the 1880s, developed the “friable” pill, which resolved the problem of pills not dissolving when ingested. With that and other innovations, the Upjohn Company had grown into one of the nation’s largest pharmaceutical firms. Now he wanted to tackle the problem of unemployment. Being a country doctor, his idea of a social safety net was the land; he believed that unemployment occurred when a person was disconnected from productive assets, such as land and equipment. So he purchased 1,600 acres of land outside of town for laid-off workers to plant a garden on and provide for their families. Fortunately, he did not lay off anyone from his own company, but hundreds of workers displaced from other local businesses used the farm. Tons of produce was grown for individual consumption, and the excess was distributed free to local individuals, relief agencies, and nonprofit groups. But Dr. Upjohn saw only the first year’s harvest. He died on Oct. 18, 1932. Just three weeks before his death, Dr. Upjohn took steps to ensure that his endeavor would continue for future generations. He established the W.E. Upjohn Unemployment Trustee Corporation, which included all the farmland he had purchased and some of his personal shares of Upjohn Company common stock.

The purpose of the Corporation was to manage the assets of the trust and to carry out the mission for which it was established: to conduct research into the causes and effects of unemployment, to study the feasibility and methods of insuring against unemployment, and to devise ways and means of preventing and alleviating the distress and hardship caused by unemployment.

The grand social experiment lasted only a few years. With the passage of the Social Security Act in 1935, which included the unemployment insurance system, the need for farmland to serve as a social safety net was replaced by a check in the hands of those without jobs.

After consulting with local leaders and national experts, the Trustees established a research institute in 1945 to carry out its mission. Today, with a staff of 60 research economists, analysts, support staff, and administrators, the W.E. Upjohn Institute for Employment Research carries on Dr. Upjohn’s legacy by pursuing research in labor market issues around the world, publishing books, providing research grants, and administering all federal and state employment programs in the local area. We at the Institute strive to continue the work that Dr. Upjohn once called “the most important thing I ever did.”

*Randall W. Eberts
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